



# QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2020  
OF THE CONDITION AND AFFAIRS OF THE

## LIGHTNING ROD MUTUAL INSURANCE COMPANY

NAIC Group Code	00207	00207	NAIC Company Code	26123	Employer's ID Number	34-0359380
	(Current Period)	(Prior Period)				
Organized under the Laws of	Ohio		State of Domicile or Port of Entry	Ohio		
Country of Domicile	United States					
Incorporated/Organized	01/01/1906		Commenced Business	03/01/1906		
Statutory Home Office	2865 Benden Drive		Wooster, OH, US 44691-0000			
	(Street and Number)		(City or Town, State, Country and Zip Code)			
Main Administrative Office	2865 Benden Drive		Wooster, OH, US 44691-0036		330-262-9060	
	(Street and Number)		(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)	
Mail Address	2865 Benden Drive		Wooster, OH, US 44691-0000			
	(Street and Number or P.O. Box)		(City or Town, State, Country and Zip Code)			
Primary Location of Books and Records	2865 Benden Drive		Wooster, OH, US 44691-0000		330-262-9060	
	(Street and Number)		(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)	
Internet Web Site Address	www.wrg-ins.com					
Statutory Statement Contact	Christopher M. Racz, CPA			330-262-9060-2446		
	(Name)			(Area Code) (Telephone Number) (Extension)		
	Christopher_Racz@wrg-ins.com		800-563-9896			
	(E-Mail Address)		(Fax Number)			

### OFFICERS

Name	Title	Name	Title
KEVIN W. DAY	PRESIDENT AND SECRETARY - CHIEF EXECUTIVE OFFICER	MICHAEL A. SHUTT	VICE PRESIDENT AND TREASURER -CHIEF FINANCIAL OFFICER

### OTHER OFFICERS

GREGORY A. BRUNN	VICE PRESIDENT INSURANCE OPERATIONS-COO	WILLIAM J. GALONSKI	VICE PRESIDENT -CHIEF CLAIMS OFFICER
LEO S. GENDERS	VICE PRESIDENT- CHIEF INFORMATION OFFICER		

### DIRECTORS OR TRUSTEES

KEVIN W. DAY	JEFFREY P. HASTINGS	RONALD E. HOLTMAN	JOHN P. MURPHY
C. MICHAEL REARDON	EDDIE L. STEINER	FLOYD A. TROUTEN III	KENNETH L. VAGNINI

State of .....Ohio.....

County of .....Wayne.....ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

KEVIN W. DAY  
PRESIDENT AND SECRETARY -CHIEF  
EXECUTIVE OFFICER

MICHAEL A. SHUTT  
VICE PRESIDENT AND TREASURER -CHIEF  
FINANCIAL OFFICER

a. Is this an original filing? Yes [X] No [ ]

b. If no:

1. State the amendment number \_\_\_\_\_
2. Date filed \_\_\_\_\_
3. Number of pages attached \_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_,

STATEMENT AS OF SEPTEMBER 30, 2020 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	144,664,042	0	144,664,042	154,490,970
2. Stocks:				
2.1 Preferred stocks .....	0	0	0	0
2.2 Common stocks .....	79,908,782	394,664	79,514,117	81,523,277
3. Mortgage loans on real estate:				
3.1 First liens .....	0	0	0	0
3.2 Other than first liens .....	0	0	0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....	22,209,601	0	22,209,601	13,305,195
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....	0	0	0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....	0	0	0	0
5. Cash (\$ .....43,540,135 ), cash equivalents (\$ .....5,695,681 ) and short-term investments (\$ .....135,000 ) .....	49,370,816	0	49,370,816	53,797,283
6. Contract loans (including \$ ..... premium notes) .....	0	0	0	0
7. Derivatives .....	0	0	0	0
8. Other invested assets .....	15,867,409	0	15,867,409	18,944,858
9. Receivables for securities .....	0	0	0	0
10. Securities lending reinvested collateral assets .....	0	0	0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	312,020,650	394,664	311,625,986	322,061,583
13. Title plants less \$ ..... charged off (for Title insurers only) .....	0	0	0	0
14. Investment income due and accrued .....	1,405,533	0	1,405,533	1,544,567
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	10,525,448	53,705	10,471,743	8,827,106
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....	6,861,152	0	6,861,152	7,221,381
15.3 Accrued retrospective premiums (\$ ..... ) and contracts subject to redetermination (\$ ..... ) .....	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	155,255	0	155,255	31,916
16.2 Funds held by or deposited with reinsured companies .....	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts .....	0	0	0	0
17. Amounts receivable relating to uninsured plans .....	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....	1,011,754	0	1,011,754	1,021,654
18.2 Net deferred tax asset .....	0	0	0	0
19. Guaranty funds receivable or on deposit .....	0	0	0	0
20. Electronic data processing equipment and software .....	0	0	0	0
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	1,314,613	1,314,613	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates .....	0	0	0	0
24. Health care (\$ ..... ) and other amounts receivable .....	0	0	0	0
25. Aggregate write-ins for other-than-invested assets .....	0	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	333,294,406	1,762,982	331,531,424	340,708,207
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0	0	0
28. Total (Lines 26 and 27) .....	333,294,406	1,762,982	331,531,424	340,708,207
<b>DETAILS OF WRITE-INS</b>				
1101. ....	0	0	0	0
1102. ....	0	0	0	0
1103. ....	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	0	0	0	0
2501. ....	0	0	0	0
2502. ....	0	0	0	0
2503. ....	0	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	0	0	0	0

STATEMENT AS OF SEPTEMBER 30, 2020 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ .....16,633,570 ) .....	42,877,554	46,157,684
2. Reinsurance payable on paid losses and loss adjustment expenses .....	0	0
3. Loss adjustment expenses .....	8,226,009	8,226,009
4. Commissions payable, contingent commissions and other similar charges .....	3,726,953	3,743,572
5. Other expenses (excluding taxes, licenses and fees) .....	3,867,195	4,839,146
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	1,145,260	1,460,454
7.1 Current federal and foreign income taxes (including \$ ..... on realized capital gains (losses)) .....	0	0
7.2 Net deferred tax liability .....	1,788,884	4,088,499
8. Borrowed money \$ ..... and interest thereon \$ .....	13,232,635	14,234,834
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ ..... and including warranty reserves of \$ ..... and accrued accident and health experience rating refunds including \$ ..... for medical loss ratio rebate per the Public Health Service Act) .....	59,952,920	57,769,539
10. Advance premium .....	1,149,296	914,756
11. Dividends declared and unpaid:		
11.1 Stockholders .....	0	0
11.2 Policyholders .....	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	(167,374)	609,647
13. Funds held by company under reinsurance treaties .....	0	0
14. Amounts withheld or retained by company for account of others .....	1,744,055	1,462,938
15. Remittances and items not allocated .....	0	0
16. Provision for reinsurance (including \$ ..... certified) .....	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates .....	0	0
18. Drafts outstanding .....	0	0
19. Payable to parent, subsidiaries and affiliates .....	0	0
20. Derivatives .....	0	0
21. Payable for securities .....	0	0
22. Payable for securities lending .....	0	0
23. Liability for amounts held under uninsured plans .....	0	0
24. Capital notes \$ ..... and interest thereon \$ .....	0	0
25. Aggregate write-ins for liabilities .....	0	1,701,674
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25) .....	137,543,385	145,208,751
27. Protected cell liabilities .....	0	0
28. Total liabilities (Lines 26 and 27) .....	137,543,385	145,208,751
29. Aggregate write-ins for special surplus funds .....	0	0
30. Common capital stock .....	0	0
31. Preferred capital stock .....	0	0
32. Aggregate write-ins for other than special surplus funds .....	0	0
33. Surplus notes .....	0	0
34. Gross paid in and contributed surplus .....	0	0
35. Unassigned funds (surplus) .....	193,988,039	195,499,456
36. Less treasury stock, at cost:		
36.1 ..... shares common (value included in Line 30 \$ ..... ) .....	0	0
36.2 ..... shares preferred (value included in Line 31 \$ ..... ) .....	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) .....	193,988,039	195,499,456
38. Totals (Page 2, Line 28, Col. 3)	331,531,424	340,708,207
<b>DETAILS OF WRITE-INS</b>		
2501. Other Liabilities .....	0	1,701,674
2502. ....	0	0
2503. ....	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	1,701,674
2901. ....	0	0
2902. ....	0	0
2903. ....	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201. ....	0	0
3202. ....	0	0
3203. ....	0	0
3298. Summary of remaining write-ins for Line 32 from overflow page .....	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

**STATEMENT OF INCOME**

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ 67,623,481 )	65,326,919	65,072,672	86,687,655
1.2 Assumed (written \$ 107,010,423 )	105,206,080	103,027,697	137,834,243
1.3 Ceded (written \$ 80,774,759 )	78,857,220	77,763,170	103,989,633
1.4 Net (written \$ 93,859,145 )	91,675,779	90,337,199	120,532,265
DEDUCTIONS:			
2. Losses incurred (current accident year \$ )::			
2.1 Direct	33,139,905	39,864,844	50,698,954
2.2 Assumed	53,875,773	61,658,343	82,795,038
2.3 Ceded	39,686,650	46,206,728	61,069,927
2.4 Net	47,329,028	55,316,459	72,424,065
3. Loss adjustment expenses incurred	9,482,110	8,003,251	11,030,246
4. Other underwriting expenses incurred	32,064,550	29,745,572	39,868,373
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	88,875,688	93,065,282	123,322,684
7. Net income of protected cells	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	2,800,091	(2,728,083)	(2,790,419)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	3,398,219	3,838,402	5,946,024
10. Net realized capital gains (losses) less capital gains tax of \$ 58,182	218,876	1,506,197	38,422
11. Net investment gain (loss) (Lines 9 + 10)	3,617,095	5,344,599	5,984,446
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ 106,688 )	(106,688)	(87,598)	(117,191)
13. Finance and service charges not included in premiums	1,224,661	1,268,073	1,696,844
14. Aggregate write-ins for miscellaneous income	22,911	3,131	3,675
15. Total other income (Lines 12 through 14)	1,140,885	1,183,606	1,583,328
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	7,558,071	3,800,122	4,777,355
17. Dividends to policyholders	0	0	0
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	7,558,071	3,800,122	4,777,355
19. Federal and foreign income taxes incurred	1,216,718	113,391	439,728
20. Net income (Line 18 minus Line 19)(to Line 22)	6,341,353	3,686,731	4,337,627
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	195,499,454	179,124,363	179,124,363
22. Net income (from Line 20)	6,341,353	3,686,731	4,337,627
23. Net transfers (to) from Protected Cell accounts	0	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ (1,955,380)	(7,355,952)	7,097,611	12,064,949
25. Change in net unrealized foreign exchange capital gain (loss)	0	0	0
26. Change in net deferred income tax	344,235	135,289	10,650
27. Change in nonadmitted assets	(841,051)	(83,316)	(38,135)
28. Change in provision for reinsurance	0	0	0
29. Change in surplus notes	0	0	0
30. Surplus (contributed to) withdrawn from protected cells	0	0	0
31. Cumulative effect of changes in accounting principles	0	0	0
32. Capital changes:			
32.1 Paid in	0	0	0
32.2 Transferred from surplus (Stock Dividend)	0	0	0
32.3 Transferred to surplus	0	0	0
33. Surplus adjustments:			
33.1 Paid in	0	0	0
33.2 Transferred to capital (Stock Dividend)	0	0	0
33.3 Transferred from capital	0	0	0
34. Net remittances from or (to) Home Office	0	0	0
35. Dividends to stockholders	0	0	0
36. Change in treasury stock	0	0	0
37. Aggregate write-ins for gains and losses in surplus	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37)	(1,511,415)	10,836,314	16,375,091
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	193,988,039	189,960,677	195,499,454
<b>DETAILS OF WRITE-INS</b>			
0501.	0	0	0
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401. Other Income	9,686	1,422	1,966
1402. Gain/(Loss) on Sale of Equipment	13,225	1,709	1,709
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	22,911	3,131	3,675
3701.	0	0	0
3702.	0	0	0
3703.	0	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	0	0	0

## CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance.....	92,026,211	91,756,578	122,113,425
2. Net investment income .....	4,336,474	4,625,978	7,070,323
3. Miscellaneous income .....	1,140,885	1,183,606	1,583,328
4. Total (Lines 1 to 3) .....	97,503,570	97,566,163	130,767,076
5. Benefit and loss related payments .....	50,732,497	51,102,251	68,109,626
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	42,811,581	40,189,488	51,620,515
8. Dividends paid to policyholders .....	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses).....	1,265,000	1,450,000	1,600,000
10. Total (Lines 5 through 9) .....	94,809,078	92,741,738	121,330,141
11. Net cash from operations (Line 4 minus Line 10) .....	2,694,492	4,824,425	9,436,935
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....	17,009,880	15,003,747	20,302,750
12.2 Stocks .....	565,987	2,597,481	2,689,192
12.3 Mortgage loans .....	0	0	0
12.4 Real estate .....	0	2,809,376	2,809,376
12.5 Other invested assets .....	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	0	0
12.7 Miscellaneous proceeds .....	0	38	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	17,575,867	20,410,642	25,801,318
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....	7,990,329	24,873,005	30,186,788
13.2 Stocks .....	4,536,311	531,144	531,144
13.3 Mortgage loans .....	0	0	0
13.4 Real estate .....	8,904,406	5,898,666	11,435,314
13.5 Other invested assets .....	0	0	0
13.6 Miscellaneous applications .....	0	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	21,431,047	31,302,815	42,153,245
14. Net increase (or decrease) in contract loans and premium notes .....	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	(3,855,180)	(10,892,174)	(16,351,927)
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes .....	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0	0
16.3 Borrowed funds .....	(1,002,199)	14,564,282	14,234,834
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0	0
16.5 Dividends to stockholders .....	0	0	0
16.6 Other cash provided (applied).....	(2,263,581)	260,758	2,002,397
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	(3,265,780)	14,825,040	16,237,231
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(4,426,467)	8,757,291	9,322,239
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	53,797,283	44,475,044	44,475,044
19.2 End of period (Line 18 plus Line 19.1) .....	49,370,816	53,232,335	53,797,283

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies

#### A. Accounting Practices

The financial statements of Lightning Rod Mutual Insurance Company (LRMIC) are presented on the basis of accounting principles prescribed or permitted by the Ohio Department of Insurance.

The Ohio Department of Insurance recognizes only statutory accounting practices prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company for determining its solvency under Ohio Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Ohio.

The financial statements of the Company are presented solely on the basis of accounting principles prescribed by the Ohio Department of Insurance. As such, there are no increases or decreases to net income or surplus on a statutory accounting basis as shown by the reconciliation below:

	State of Domicile	2020	2019
<u>NET INCOME</u>			
(1) LRMIC state basis (Page 4, Line 20, Columns 1 & 2)	Ohio	\$ 6,341,353	\$ 4,337,627
(2) State Prescribed Practices that increase/(decrease) NAIC SAP:		—	—
(3) State Permitted Practices that increase/(decrease) NAIC SAP:		—	—
(4) NAIC SAP (1-2-3=4)		<u>\$ 6,341,353</u>	<u>\$ 4,337,627</u>
<u>SURPLUS</u>			
(5) LRMIC state basis (Page 3, Line 37, Columns 1 & 2)	Ohio	\$ 193,988,039	\$ 195,499,454
(6) State Prescribed Practices that increase/(decrease) NAIC SAP:		—	—
(7) State Permitted Practices that increase/(decrease) NAIC SAP:		—	—
(8) NAIC SAP (5-6-7=8)		<u>\$ 193,988,039</u>	<u>\$ 195,499,454</u>

#### B. Use of Estimates in the Preparation of the Financial Statements

No significant changes.

#### C. Accounting Policy

No significant changes.

#### D. Going Concern

Not applicable.

### 2. Accounting Changes and Corrections of Errors

Not applicable.

### 3. Business Combinations and Goodwill

#### A. Statutory Purchase Method

Not applicable.

#### B. Statutory Merger

Not applicable.

#### C. Impairment Loss

Not applicable.

### 4. Discontinued Operations

Not applicable.

### 5. Investments

#### A. Mortgage Loans, including Mezzanine Real Estate Loans

Not applicable.

#### B. Debt Restructuring

Not applicable.

#### C. Reverse Mortgages

Not applicable.

## NOTES TO FINANCIAL STATEMENTS

### D. Loan—Backed Securities

1. Prepayment assumptions are generally obtained using a model provided by a third-party vendor.
2. None.
3. None.
4. All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

a. The aggregate amount of unrealized losses:

1. Less than 12 months	\$ (11,211)
2. 12 months or Longer	\$ --

b. The aggregate related fair value of securities with unrealized losses:

1. Less than 12 months	\$ 758,621
2. 12 months or longer	\$ --

5. The Company reviews all loan-backed and structured securities in which the fair value of a given security is less than the amortized cost to determine if a given security is other-than-temporarily impaired. The Company examines characteristics of the underlying collateral, such as delinquency and default rates, the quality of the underlying borrower, the type of collateral in the pool, the vintage year of the collateral, subordination levels within the structure of the collateral pool, and the quality of any credit guarantors, to determine the cash flows expected to be received for the security.

If the severity and duration of the security's unrealized loss indicates a risk of other-than-temporary impairment, then the Company will evaluate if the amortized cost basis of the security will be recovered by comparing the present value of the cash flows expected to be received for the given security with the amortized basis of the security. If the present value of cash flows is greater than the amortized cost basis of a security then the security is deemed not to be other-than-temporarily impaired.

### E. Dollar Repurchase Agreements and/or Securities Lending Transactions

Not applicable.

### F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

Not applicable.

### G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

Not applicable.

### H. Repurchase Agreements Transactions Accounted for as a Sale

Not applicable.

### I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

Not applicable.

### J. Real Estate

Not applicable.

### K. Low-income Housing Tax Credits (LIHTC)

Not applicable.

NOTES TO FINANCIAL STATEMENTS

L. Restricted Assets

1. Restricted assets (including pledged) summarized by restricted asset category:

Restricted Asset Category	Amount (\$)										Percentage (%)	
	Gross (Admitted & Nonadmitted) Restricted											
	Current Year							Current Year				
	1	2	3	4	5	6	7	8	9	10	11	
Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets		
a. Subject to contractual obligation for which liability is not shown												
b. Collateral held under security lending agreements												
c. Subject to repurchase agreements												
d. Subject to reverse repurchase agreements												
e. Subject to dollar repurchase agreements												
f. Subject to dollar reverse repurchase agreements												
g. Placed under option contracts												
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock												
i. FHLB capital stock	\$ 845,200				\$ 845,200	\$ 779,400	\$ 65,800		\$ 845,200	0.25%	0.25%	
j. On deposit with states	1,694,202				1,694,202	1,688,127	6,075		1,694,202	0.51%	0.51%	
k. On deposit with other regulatory bodies												
l. Pledged as collateral to FHLB (including assets backing funding agreements)	15,200,869				15,200,869	14,437,143	763,726		15,200,869	4.56%	4.59%	
m. Pledged as collateral not captured in other categories												
n. Other restricted assets												
<b>o. Total Restricted Assets</b>	<b>\$ 17,740,271</b>				<b>\$ 17,740,271</b>	<b>\$ 16,904,670</b>	<b>\$ 835,601</b>		<b>\$ 17,740,271</b>	<b>5.32%</b>	<b>5.35%</b>	

(a) Subset of column 1

(b) Subset of column 3

- 2. None.
- 3. None.
- 4. None.

## NOTES TO FINANCIAL STATEMENTS

## M. Working Capital Finance Investments

Not applicable.

## N. Offsetting and Netting of Assets and Liabilities

Not applicable.

## O. 5\* Securities

Not applicable.

## P. Short Sales

Not applicable.

## Q. Prepayment Penalty and Accelerated Fees

	<u>General Account</u>	<u>Protected Cell</u>
(1) Number of CUSIPS	1	0
(2) Aggregate Amount of Investment Income	\$ 606	\$ --

**6. Joint Ventures, Partnerships and Limited Liability Companies**

No significant changes.

**7. Investment Income**

No significant changes.

**8. Derivative Instruments**

No significant changes.

**9. Income Taxes**

A. The components of the net deferred tax asset/(liability) at September 30, 2020 and December 31, 2019 are as follows:

1.

	<u>09/30/2020</u>		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
c. Gross Deferred Tax Assets	\$ 4,948,435	\$ 1,072,896	\$ 6,021,331
d. Statutory Valuation Allowance Adjustments	—	—	—
e. Adjusted Gross Deferred Tax Assets (1a – 1b)	4,948,435	1,072,896	6,021,331
f. Deferred Tax Assets Nonadmitted	—	—	—
g. Subtotal Net Deferred Tax Asset (1c – 1d)	4,948,435	1,072,896	6,021,331
h. Deferred Tax Liabilities	(879,895)	(6,930,320)	(7,810,215)
i. Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	<u>\$ 4,068,540</u>	<u>\$ (5,857,424)</u>	<u>\$ (1,788,884)</u>
	<u>12/31/2019</u>		
	(4)	(5)	(6)
	Ordinary	Capital	(Col 1+2) Total
(a) Gross Deferred Tax Assets	\$ 4,688,866	\$ 1,072,896	\$ 5,761,762
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	4,688,866	1,072,896	5,761,762
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	4,688,866	1,072,896	5,761,762
(f) Deferred Tax Liabilities	(862,095)	(8,988,166)	(9,850,261)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	<u>\$ 3,826,771</u>	<u>\$ (7,915,270)</u>	<u>\$ (4,088,499)</u>
	<u>Change</u>		
	(7)	(8)	(9)
	(Col 1—4) Ordinary	(Col 2—5) Capital	(Co 7+8) Total
(a) Gross Deferred Tax Assets	\$ 259,569	\$ —	\$ 259,569
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	259,569	—	259,569
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	259,569	—	259,569
(f) Deferred Tax Liabilities	(17,800)	2,057,846	2,040,046
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	<u>\$ 241,769</u>	<u>\$ 2,057,846</u>	<u>\$ 2,299,615</u>

## NOTES TO FINANCIAL STATEMENTS

## 2. Admission Calculation Components SSAP No. 101

	<u>09/30/2020</u>		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 1,911,720	\$ —	\$ 1,911,720
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation (The Lesser of 2(b)1 and 2(b)2 Below)	1,986,759	—	1,986,759
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	1,986,759	—	1,986,759
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	29,098,206
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	<u>1,049,956</u>	<u>1,072,896</u>	<u>2,122,852</u>
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	<u>\$ 4,948,435</u>	<u>\$ 1,072,896</u>	<u>\$ 6,021,331</u>
	<u>12/31/2019</u>		
	(4)	(5)	(6)
	Ordinary	Capital	(Col 1+2) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 1,086,761	\$ —	\$ 1,086,761
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation (The Lesser of 2(b)1 and 2(b)2 Below)	2,772,711	—	2,772,711
3. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	2,772,711	—	2,772,711
4. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	29,324,918
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	<u>829,394</u>	<u>1,072,896</u>	<u>1,902,290</u>
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	<u>\$ 4,688,866</u>	<u>\$ 1,072,896</u>	<u>\$ 5,761,762</u>
	<u>Change</u>		
	(7)	(8)	(9)
	(Col 1—4) Ordinary	(Col 2—5) Capital	(Col 7+8) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 824,959	\$ —	\$ 824,959
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation (The Lesser of 2(b)1 and 2(b)2 Below)	(785,952)	—	(785,952)
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	(785,952)	—	(785,952)
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	(226,712)
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	<u>220,562</u>	<u>—</u>	<u>220,562</u>
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	<u>\$ 259,569</u>	<u>\$ —</u>	<u>\$ 259,569</u>

## 3.

	<u>2020</u>	<u>2019</u>
(a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	15%	15%
(b) Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b) 2 Above.	\$ 193,988,039	\$ 195,499,456

## NOTES TO FINANCIAL STATEMENTS

## 4. Impact of Tax—Planning Strategies

		<u>09/30/2020</u>	
		(1)	(2)
		<u>Ordinary</u>	<u>Capital</u>
(a)	Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.		
1.	Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 4,948,435	\$ 1,072,896
2.	Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%
3.	Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)	\$ 4,948,435	\$ 1,072,896
4.	Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%
		<u>12/31/2019</u>	
		(3)	(4)
		<u>Ordinary</u>	<u>Capital</u>
(a)	Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.		
1.	Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 4,688,866	\$ 1,072,896
2.	Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%
3.	Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)	\$ 4,688,866	\$ 1,072,896
4.	Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%
		<u>Change</u>	
		(5)	(6)
		(Col 1-3)	(Col 2-4)
		<u>Ordinary</u>	<u>Capital</u>
(a)	Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.		
1.	Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 259,569	\$ --
2.	Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%
3.	Net Admitted Adjusted Gross DTAs Amount from Note 9A1(c)	\$ 259,569	\$ --
4.	Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%
(b)	Does the Company's tax—planning strategies include the use of reinsurance? Yes _____ No <u>X</u>		

B. The Company has no temporary differences for which deferred tax liabilities are not recognized.

## NOTES TO FINANCIAL STATEMENTS

C. Current income taxes incurred consist of the following major components:

	(1)	(2)	(3)
	09/30/2020	12/31/2019	(Col 1-2) Change
1. Current Income Tax			
(a) Federal	\$ 1,216,718	\$ 439,728	\$ 776,990
(b) Foreign	\$ —	\$ —	\$ —
(c) Subtotal	\$ 1,216,718	\$ 439,728	\$ 776,990
(d) Federal income tax on net capital gains	\$ 58,182	\$ 10,213	\$ 47,969
(e) Utilization of operating loss carry—forwards	\$ —	\$ —	\$ —
(f) Other	\$ —	\$ —	\$ —
(g) Federal and foreign income taxes incurred	<u>\$ 1,274,900</u>	<u>\$ 449,941</u>	<u>\$ 824,959</u>
2. Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 604,804	\$ 604,804	\$ —
(2) Unearned premium reserve	\$ 2,518,023	\$ 2,426,321	\$ 91,702
(3) Policyholder reserves	\$ —	\$ —	\$ —
(4) Investments	\$ —	\$ —	\$ —
(5) Deferred acquisition costs	\$ —	\$ —	\$ —
(6) Policyholder dividends accrual	\$ —	\$ —	\$ —
(7) Fixed assets	\$ 276,069	\$ 99,035	\$ 177,034
(8) Compensation and benefits accrual	\$ 454,077	\$ 431,605	\$ 22,472
(9) Pension accrual	\$ 35,372	\$ 35,372	\$ —
(10) Receivables – nonadmitted	\$ 11,278	\$ 10,005	\$ 1,273
(11) Net operating loss carry—forward	\$ —	\$ —	\$ —
(12) Tax credit carry—forward	\$ —	\$ —	\$ —
(13) Other (including items <5% of total ordinary tax assets):			
(14) Salvage and subrogation anticipated	\$ 854,602	\$ 854,602	\$ —
(15) Software capitalized	\$ 123,496	\$ 103,713	\$ 19,783
(16) Other	\$ 70,714	\$ 123,409	\$ (52,695)
(99) Subtotal	\$ 4,948,435	\$ 4,688,866	\$ 259,569
(b) Statutory valuation allowance adjustment	\$ —	\$ —	\$ —
(c) Nonadmitted	\$ —	\$ —	\$ —
(d) Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	<u>\$ 4,948,435</u>	<u>\$ 4,688,866</u>	<u>\$ 259,569</u>
(e) Capital:			
(1) Investments	\$ —	\$ —	\$ —
(2) Net capital loss carry—forward	\$ —	\$ —	\$ —
(3) Real estate	\$ —	\$ —	\$ —
(4) Other (including items <5% of total capital tax assets):			
(5) Unrealized capital losses for impaired securities	\$ 1,072,896	\$ 1,072,896	\$ —
(6) Other	\$ —	\$ —	\$ —
(99) Subtotal	\$ 1,072,896	\$ 1,072,896	\$ —
(f) Statutory valuation allowance adjustment	\$ —	\$ —	\$ —
(g) Nonadmitted	\$ —	\$ —	\$ —
(h) Admitted capital deferred tax assets (2e99 – 2f – 2g)	<u>\$ 1,072,896</u>	<u>\$ 1,072,896</u>	<u>\$ —</u>
(i) Admitted deferred tax assets (2d + 2h)	<u>\$ 6,021,331</u>	<u>\$ 5,761,762</u>	<u>\$ 259,569</u>
3. Deferred Tax Liabilities:			
(a) Ordinary:			
(1) Investments	\$ (617,364)	\$ (622,930)	\$ 5,566
(2) Fixed assets	\$ —	\$ —	\$ —
(3) Deferred and uncollected premium	\$ —	\$ —	\$ —
(4) Policyholder reserves	\$ —	\$ —	\$ —
(5) Accumulated amortization software	\$ (78,079)	\$ (54,713)	\$ (23,366)
(6) Discounting of unpaid losses	\$ (184,452)	\$ (184,452)	\$ —
(7) Other (including items <5% of total ordinary tax liabilities):			
(8) Other	\$ —	\$ —	\$ —
(99) Subtotal	\$ (879,895)	\$ (862,095)	\$ (17,800)
(b) Capital:			
(1) Investments	\$ —	\$ —	\$ —
(2) Real estate	\$ —	\$ —	\$ —
(3) Other (including items <5% of total capital tax liabilities):			
(4) Unrealized capital gains	\$ (6,930,320)	\$ (8,988,166)	\$ 2,057,846
(99) Subtotal	<u>\$ (6,930,320)</u>	<u>\$ (8,988,166)</u>	<u>\$ 2,057,846</u>
(c) Deferred tax liabilities (3a99 + 3b99)	<u>\$ (7,810,215)</u>	<u>\$ (9,850,261)</u>	<u>\$ 2,040,046</u>
4. Net deferred tax assets/liabilities (2i – 3c)	<u>\$ (1,788,884)</u>	<u>\$ (4,088,499)</u>	<u>\$ 2,299,615</u>

## NOTES TO FINANCIAL STATEMENTS

- D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before taxes. Among the more significant book to tax adjustments were the following:

	<u>09/30/2020</u>	<u>Effective Tax Rate</u>
Provision computed at statutory rate	\$ 1,599,413	21.0%
Tax exempt interest	(137,456)	(1.8%)
Dividends received deduction	(83,949)	(1.1%)
Change in deferred tax on nonadmitted assets	178,307	2.3%
Other	<u>(523,183)</u>	<u>(6.8%)</u>
Total	<u>\$ 1,033,132</u>	<u>13.6%</u>
Federal and foreign income taxes incurred	\$ 1,216,718	16.0%
Tax on capital gains (losses)	58,182	0.8%
Change in net deferred income taxes	<u>(241,768)</u>	<u>(3.2%)</u>
Total statutory income taxes	<u>\$ 1,033,132</u>	<u>13.6%</u>

- E. Carry—forwards, recoverable taxes, and IRS §6603 deposits:

(1) As of September 30, 2020, the Company had no net operating loss or net capital loss carry—forwards available for tax purposes.

As of September 30, 2020, the Company had no alternative minimum tax (AMT) credit carry—forwards.

(2) As September 30, 2020, the Company had federal income taxes incurred available for recoupment in the event of future net losses of \$2,885,036.

(3) The Company has no deposits reported as admitted assets under IRC §6603 as of September 30, 2020.

- F. The Company files an individual federal income tax return.

#### 10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

- A. Not applicable.
- B. Not applicable.
- C. Not applicable.
- D. At September 30, 2020, there were no intercompany balances due to and/or due from its Subsidiaries and Affiliates. The intercompany balances due from and/or due to its Subsidiaries and Affiliates are reimbursed quarterly on an as made basis.
- E. Not applicable.
- F. No significant changes.
- G. No significant changes.
- H. Not applicable.
- I. Not applicable.
- J. Not applicable.
- K. No significant changes.
- L. No significant changes.
- M. No significant changes.
- N. No significant changes.

## NOTES TO FINANCIAL STATEMENTS

## 11. Debt

A. Apart from the item Note 11B immediately below, the Company did not have any outstanding debentures at September 30, 2020 nor December 31, 2019.

B. FHLB (Federal Home Loan Bank) Agreements

1. The Company is a member of the Federal Home Loan Bank (FHLB) of Cincinnati. In April 2019, through its membership, the Company borrowed funds in the form of three, 10-year fixed term, fixed rate advances at 2.83%, 2.60% and 2.60%. The three advances were \$12.0 million, \$2.0 million, and \$1.0 million, respectively, for a total of \$15.0 million to be used for construction of an addition to the Company's home office. The Company has determined the estimated maximum borrowing capacity as \$9,877,288. The Company calculated this amount in accordance with the Company's holdings of U.S. Treasuries, U.S. Agencies, U.S. Agency residential and commercial mortgage backed securities, and eligible municipal securities including both revenue and general obligation bonds that meet minimum FHLB credit risk requirements.

2. FHLB Capital Stock

a. Aggregate Totals

1. Current Year	(1)	(2)	(3)
	Total 2 + 3	General Account	Separate Accounts
a. Membership Stock – Class A	\$ —	\$ —	\$ —
b. Membership Stock – Class B	\$ 545,133	\$ 545,133	\$ —
c. Activity Stock	\$ 300,067	\$ 300,067	\$ —
d. Excess Stock	\$ —	\$ —	\$ —
e. Aggregate Total	<u>\$ 845,200</u>	<u>\$ 845,200</u>	<u>\$ —</u>
f. Actual or Estimated Borrowing Capacity as Determined by the Insurer	<u>\$ 9,877,288</u>	<u>\$ XXX</u>	<u>\$ XXX</u>

2. Prior Year-End	(1)	(2)	(3)
	Total 2 + 3	General Account	Separate Accounts
g. Membership Stock – Class A	\$ —	\$ —	\$ —
h. Membership Stock – Class B	\$ 479,344	\$ 479,344	\$ —
i. Activity Stock	\$ 300,056	\$ 300,056	\$ —
j. Excess Stock	\$ —	\$ —	\$ —
k. Aggregate Total (a+b+c+d)	<u>\$ 779,400</u>	<u>\$ 779,400</u>	<u>\$ —</u>
l. Actual or Estimated Borrowing Capacity as Determined by the Insurer	<u>\$ 14,134,702</u>	<u>\$ XXX</u>	<u>\$ XXX</u>

3. Membership Stock Eligible for Redemption

Membership Stock	Current Year Total	Not Eligible For Redemption	Less Than Six Months	Six Months to Less Than a Year	1 to Less Than 3 Years	3 to 5 Years
1. Class A	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
2. Class B	\$ 545,133	\$ 545,133	\$ —	\$ —	\$ —	\$ —

3. Collateral Pledged to the FHLB

a. Amount Pledged as of Reporting Date

	Fair Value	Carrying Value	Aggregate Total Borrowing
1. Current year total general account collateral pledged	\$15,783,497	\$15,200,869	\$ 15,000,000
2. Current year protected cell account collateral pledged	—	—	—
3. Current year total general and protected cell accounts collateral pledged	15,783,497	15,200,869	15,000,000
4. Prior year total general and protected cell accounts collateral pledged	—	—	—

## NOTES TO FINANCIAL STATEMENTS

## b. Maximum Amount Pledged During Reporting Period

	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Amount Borrowed at Time of Maximum Collateral</u>
1. Current year total general account maximum collateral pledged	\$20,073,911	\$19,446,780	\$ 15,000,000
2. Current year protected cell account maximum collateral pledged	—	—	—
3. Current year total general and protected cell accounts maximum collateral pledged	20,073,911	19,446,780	15,000,000
4. Prior year total general and protected cell accounts maximum collateral pledged	—	—	—

## 4. Borrowing from FHLB

## a. Amount as of the Reporting Date

	1. Current Year			2. Prior Year		
	<u>Total</u>	<u>General Account</u>	<u>Protected Cell Account</u>	<u>Total</u>	<u>General Account</u>	<u>Protected Cell Account</u>
a. Debt	\$13,232,635	\$13,232,635	\$ —	\$14,234,834	\$14,234,834	\$ —
b. Funding Agreements	—	—	—	—	—	—
c. Other	—	—	—	—	—	—
d. Total (a+b+c)	13,232,635	13,232,635	—	14,234,834	14,234,834	—

## b. Maximum Amount during the Reporting Period (Current Year)

	<u>Total</u>	<u>General Account</u>	<u>Protected Cell Account</u>
a. Debt	\$ 14,234,834	\$ 14,234,834	\$ —
b. Funding Agreements	—	—	—
c. Other	—	—	—
d. Total (a+b+c)	14,234,834	14,234,834	—

## c. The Company has no prepayment obligations under its debt arrangement.

**12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

## A. Defined Benefit Plans

The Company has a non-qualified, unfunded, retiree healthcare plan. The retiree health care plan was closed to new participants. The related liabilities and expenses are not material to the Company's financial position.

The Company also has a non-qualified voluntary deferred compensation plan for senior executive officers. The plan allows for deferral of payouts from the Annual Cash Bonus Plan and Performance Share Plan for Key Executives. As of September 30, 2020 and December 31, 2019, amounts held for these deferrals were \$1.6 million and \$1.5 million, respectively.

## B. Investment Policies and Strategies

Not applicable.

## C. Fair Value of Plan Assets

Not applicable.

## D. Basis of Rates of Returns on Assets

Not applicable.

## E. Defined Contribution Plans

No significant changes.

## F. Multiemployer Plans

Not applicable.

## G. Consolidated/Holding Company Plans

Not applicable.

## H. Postemployment Benefits and Compensated Absences

Not applicable.

## I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04—17)

Not applicable.

## NOTES TO FINANCIAL STATEMENTS

### 13. Capital and Surplus, Dividend Restrictions and Quasi—Reorganizations

- (1) Not applicable.
- (2) Not applicable.
- (3) Not applicable.
- (4) Not applicable.
- (5) Not applicable.
- (6) Not applicable.
- (7) Not applicable.
- (8) Not applicable.
- (9) Not applicable.
- (10) The portion of unassigned funds (surplus) represented by cumulative unrealized gains net of losses before tax is \$33.0 million and \$42.8 million at September 30, 2020 and December 31, 2019, respectively.
- (11) Not applicable.
- (12) Not applicable.
- (13) Not applicable.

### 14. Liabilities, Contingencies and Assessments

- A. Contingent Commitments  
Not applicable.
- B. Assessments  
No significant changes.
- C. Gain Contingencies  
Not applicable.
- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits  
No significant changes.
- E. Product Warranties  
Not applicable.
- F. Joint and Several Liabilities  
Not applicable.
- G. All Other Contingencies  
Not applicable.

### 15. Leases

No significant changes.

### 16. Information about Financial Instruments With Off—Balance—Sheet Risk and Financial Instruments With Concentrations of Credit Risk

Not applicable.

### 17. Sale, Transfer and Servicing of Financial Assets and Extinguishment of Liabilities

- A. Transfers of Receivables Reported as Sales  
Not applicable.
- B. Transfer and Servicing of Financial Assets  
Not applicable.
- C. Wash Sales  
Not applicable.

## NOTES TO FINANCIAL STATEMENTS

### 18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

A. ASO Plans

Not applicable.

B. ASC Plans

Not applicable.

C. Medicare or Similarly Structured Cost Based Reimbursement Contract

Not applicable.

### 19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Not applicable.

### 20. Fair Value Measurements

- A. The Company's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by FASB ASC 820 (SFAS No. 157), *Fair Value Measurements*. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3). The levels of the fair value hierarchy are as follows:

*Level 1:*

Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.

*Level 2:*

Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

*Level 3:*

Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Company's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

- (1) Fair Value Measurements at September 30, 2020:

Description of each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
a. Assets at fair value					
Cash equivalents:					
Exempt MM Mutual Funds	\$ 5,695,681	\$ --	\$ --	\$ --	\$ 5,695,681
Total Cash Equivalents	5,695,681	--	--	--	5,695,681
Common Stock:					
Mutual Funds	30,633,613	--	--	--	30,633,613
Industrial and Misc	47,779,705	845,200	255,599	--	48,880,504
Total Common Stocks	78,413,318	845,200	255,599	--	79,514,117
Bonds:					
Industrial and Misc	--	564,000	--	--	564,000
Total Bonds	--	564,000	--	--	564,000
Other Invested Assets	3,441,451	12,425,958	--	--	15,867,409
Total assets at fair value/NAV	<u>\$ 87,550,450</u>	<u>\$ 13,835,158</u>	<u>\$ 255,599</u>	<u>\$ --</u>	<u>\$ 101,641,207</u>
b. Liabilities at fair value:					
Not applicable.					

## NOTES TO FINANCIAL STATEMENTS

Fair Value Measurements at December 31, 2019:

Description of each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
c. Assets at fair value					
Cash equivalents:					
Exempt MM Mutual Funds	\$ 5,546,130	\$ --	\$ --	\$ --	\$ 5,546,130
Total Cash Equivalents	5,546,130	--	--	--	5,546,130
Common Stock:					
Mutual Funds	31,322,392	--	--	--	31,322,392
Industrial and Misc	49,165,886	779,400	255,599	--	50,200,885
Total Common Stocks	80,488,278	779,400	255,599	--	81,523,277
Bonds:					
Industrial and Misc	--	585,000	--	--	585,000
Total Bonds	--	585,000	--	--	585,000
Other Invested Assets	6,025,345	12,919,513	--	--	18,944,858
Total assets at fair value/NAV	\$ 92,059,753	\$ 14,283,913	\$ 255,599	\$ --	\$ 106,599,265
d. Liabilities at fair value: Not applicable.					

(2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy:

	Beginning Balance at 06/30/2020	Transfers In/(out) Level 3	Total Gains/(Losses) Included in Net Income	Total Gains/(Losses) Included in Surplus	Purchases (Sales)	Ending Balance at 09/30/2020
a. Assets:						
Common Stock:						
Industrial and Misc	\$ 255,599	\$ --	\$ --	\$ --	\$ --	\$ 255,599
b. Liabilities: Not applicable.						

(3) The Company's policy is to recognize transfers in and out as of the end of the reporting period.

(4) As of September 30, 2020, the reported fair value of the entity's investments categorized within Level 3 of the fair value hierarchy is as follows:

**Common Stocks** – The Company holds an investment in NAMIC common stock.

B. Not applicable.

C. Fair Value of All Financial Instruments:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$155,139,879	\$144,664,042	\$10,846,906	\$144,292,973	\$ --	\$ --	\$ --
Common Stock	79,514,117	79,514,117	78,413,318	845,200	255,599	--	--
Other Invested Assets	15,867,409	15,867,409	3,441,451	12,425,958	--	--	--
Cash Equivalents	5,695,681	5,695,681	5,695,681	--	--	--	--
Short-Term Investments	135,304	135,000	--	135,304	--	--	--

D. The Company has no assets for which it was not practicable to estimate fair value.

## 21. Other Items

A. Unusual or Infrequent Items

During 2020, equity and financial markets have experienced significant volatility and interest rates have continued to decline due to the COVID-19 pandemic. Additionally, there is uncertainty with respect to potential state and/or federal legislative actions impacting property and casualty insurance coverages. Furthermore, insured risks like personal auto and commercial auto as well as commercial property and liability have significantly changed and, in some cases, been reduced in the COVID-19 environment, and insurance organizations are evaluating premium refunds and other measures as the risks evolve. In response to COVID-19 and certain reductions in claim activity, the Company instituted a premium rate revision program for new and renewal personal auto business that was effective July 1, 2020. The impact of these revisions is an average rate decrease of 5%.

## NOTES TO FINANCIAL STATEMENTS

On March 27, 2020, H.R. 748, the Coronavirus Aid, Relief, and Economic Security Act, "the CARES ACT", was signed into legislation which includes tax provisions relevant to businesses that during 2020 will impact taxes related to 2018 and 2019. Some of the significant changes are reducing the interest expense disallowance for 2019 and 2020, allowing the five year carryback of net operating losses for 2018-2020, suspension of the 80% limitation of taxable income for net operating loss carryforwards for 2018-2020, and the acceleration of depreciation expense from 2018 and forward on qualified improvement property. The Company is required to recognize the effect on the consolidated financial statements in the period the law was enacted, which is 2020. At this time, for 2018 and 2019, the Company does not expect the impact of the CARES ACT on the Company's financial position or results of operations to be material.

- B. Troubled Debt Restructuring: Debtors  
Not applicable.
- C. Other Disclosures  
Not applicable.
- D. Business Interruption Insurance Recoveries  
Not applicable.
- E. State Transferable and Non—Transferrable Tax Credits  
Not applicable.
- F. Subprime Mortgage Related Risk Exposure  
Not applicable.

### 22. Events Subsequent

#### Type I – Recognized Subsequent Events:

Subsequent events have been considered through November 13, 2020 for the statutory statement issued on November 13, 2020 for the quarter ending September 30, 2020. No Type I events were identified that would have a material effect on the financial condition of the Company.

#### Type II – Non-recognized Subsequent Events:

Subsequent events have been considered through November 13, 2020 for the statutory statement issued on November 13, 2020 for the quarter ending September 30, 2020. No Type II events were identified that would have a material effect on the financial condition of the Company.

### 23. Reinsurance

- A. Unsecured Reinsurance Recoverables  
Not applicable.
- B. Reinsurance Recoverable in Dispute  
Not applicable.
- C. Reinsurance Assumed and Ceded  
No significant changes.
- D. Uncollectible Reinsurance  
No significant changes.
- E. Commutation of Ceded Reinsurance  
Not applicable.
- F. Retroactive Reinsurance  
Not applicable.
- G. Reinsurance Accounted for as a Deposit  
Not applicable.
- H. Disclosures for the Transfer of Property and Casualty Run—off Agreements  
Not applicable.
- I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation  
Not applicable.

## NOTES TO FINANCIAL STATEMENTS

### 24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not applicable.

### 25. Changes in Incurred Losses and Loss Adjustment Expense

Reserves as of December 31, 2019 were \$54.4 million. During 2020, \$21.1 million has been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$30.0 million as a result of re-estimation of unpaid claims and claim adjusting expenses. Therefore, there has been \$3.3 million of favorable prior year development from December 31, 2019 to September 30, 2020. The re-estimation is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. The estimates are not affected by prior year loss development on retrospectively rated policies, as the Company does not write this type of policy.

### 26. Intercompany Pooling Agreements

No significant changes.

### 27. Structured Settlements

Not applicable.

### 28. Health Care Receivables

Not applicable.

### 29. Participating Policies

Not applicable.

### 30. Premium Deficiency Reserves

No significant changes.

### 31. High Deductibles

Not applicable.

### 32. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

No significant changes.

### 33. Asbestos/Environmental Reserves

A. Does the Company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to asbestos losses? Yes ( ) No (x)

B. Not applicable.

C. Not applicable.

D. Does the Company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to environmental losses? Yes (x) No ( )

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
(1) Direct –					
1) Beginning reserves:	\$ 45	\$ 45	\$ 40	\$ 38	\$ 38
2) Incurred losses and loss adjustment expense:	5	6	2	1	—
3) Calendar year payments for losses and loss adjustment expenses:	<u>5</u>	<u>11</u>	<u>4</u>	<u>1</u>	<u>—</u>
4) Ending reserves:	<u>\$ 45</u>	<u>\$ 40</u>	<u>\$ 38</u>	<u>\$ 38</u>	<u>\$ 38</u>
(2) Assumed Reinsurance:					
1) Beginning reserves:	\$ —	\$ —	\$ —	\$ —	\$ —
2) Incurred losses and loss adjustment expense:	—	—	—	—	—
3) Calendar year payments for losses and loss adjustment expenses:	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
4) Ending reserves:	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

## NOTES TO FINANCIAL STATEMENTS

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
(3) Net of Ceded Reinsurance:					
1) Beginning reserves:	\$ —	\$ —	\$ —	\$ —	\$ —
2) Incurred losses and loss adjustment expense:	—	—	—	—	—
3) Calendar year payments for loss and loss adjustment expenses:	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
4) Ending reserves:	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

The Company's exposure to environmental losses arises from the sale of general liability insurance. The Company estimates the full impact of the environmental exposure by establishing full case basis reserves on all known losses and computing incurred but not reported losses based on previous experience. The Company's estimate of the environmental related losses for each of the five most recent years after intercompany pooling are displayed above.

## E. State the amount of ending reserves for Bulk + IBNR included in D (Loss and LAE):

(1) Direct Basis:	\$ —
(2) Assumed Reinsurance Basis:	\$ —
(3) Net of Ceded Reinsurance Basis:	\$ —

## F. State the amount of ending reserves for loss adjustment expenses included in D (Case, Bulk + IBNR):

(1) Direct Basis:	\$ —
(2) Assumed Reinsurance Basis:	\$ —
(3) Net of Ceded Reinsurance Basis:	\$ —

**34. Subscriber Savings Accounts**

Not applicable.

**35. Multiple Peril Crop Insurance**

Not applicable.

**36. Financial Guaranty Insurance**

Not applicable.

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? ..... Yes [ ] No [X]
- 1.2 If yes, has the report been filed with the domiciliary state? ..... Yes [ ] No [ ]
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes [ ] No [X]
- 2.2 If yes, date of change: .....
- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? ..... Yes [X] No [ ]  
If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? ..... Yes [ ] No [X]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes.  
.....
- 3.4 Is the reporting entity publicly traded or a member of a publicly traded group? ..... Yes [ ] No [X]
- 3.5 If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.....
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [X]  
If yes, complete and file the merger history data file with the NAIC.
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? ..... Yes [ ] No [ ] NA [X]  
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. ....12/31/2016
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ....12/31/2016
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ....10/25/2017
- 6.4 By what department or departments?  
Ohio.....
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? ..... Yes [ ] No [ ] NA [X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [X] No [ ] NA [ ]
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? ..... Yes [ ] No [X]
- 7.2 If yes, give full information:  
.....
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?..... Yes [ ] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.  
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?..... Yes [ ] No [X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

## GENERAL INTERROGATORIES

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? ..... Yes  No
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
 (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
 (c) Compliance with applicable governmental laws, rules and regulations;  
 (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
 (e) Accountability for adherence to the code.

9.11 If the response to 9.1 is No, please explain:  
 .....

- 9.2 Has the code of ethics for senior managers been amended? ..... Yes  No

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).  
 .....

- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? ..... Yes  No

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).  
 .....

### FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? ..... Yes  No

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: ..... \$ .....

### INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) ..... Yes  No

11.2 If yes, give full and complete information relating thereto:  
 .....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: ..... \$ .....0

13. Amount of real estate and mortgages held in short-term investments: ..... \$ .....0

- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? ..... Yes  No

14.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....	\$ .....0	\$ .....0
14.22 Preferred Stock .....	\$ .....0	\$ .....0
14.23 Common Stock .....	\$ .....402,693	\$ .....394,664
14.24 Short-Term Investments .....	\$ .....0	\$ .....0
14.25 Mortgage Loans on Real Estate .....	\$ .....0	\$ .....0
14.26 All Other .....	\$ .....0	\$ .....0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$ .....402,693	\$ .....394,664
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....	\$ .....0	\$ .....0

- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? ..... Yes  No

- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? ..... Yes  No  NA

If no, attach a description with this statement.

16 For the reporting entity's security lending program, state the amount of the following as of the current statement date:

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$ .....0
16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$ .....0
16.3 Total payable for securities lending reported on the liability page	\$ .....0

## GENERAL INTERROGATORIES

17. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity’s offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*?

Yes [ ] No [X]

17.1 For all agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1 Name of Custodian(s)	2 Custodian Address
Northern Trust Company.....	50 South LaSalle Street Chicago, IL 60603.....

17.2 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
Eaton Vance Management.....	Two International Place Boston, MA 02110.....	Purchased in 2014; not accounted for by Northern Trust Company.....
SEI Global Services.....	1 Freedom Valley Drive Oaks, PA 19456.....	Custodian of the Harvest MLP Income Fund LLC purchased in 2016; not accounted for by Northern Trust Company.....

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? .....

Yes [ ] No [X]

17.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

17.5 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. [“...that have access to the investment accounts”; “...handle securities”]

1 Name of Firm or Individual	2 Affiliation
Michael Shutt.....	I.....
Adrian Besancon.....	I.....

17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a “U”) manage more than 10% of the reporting entity’s invested assets?

Yes [ ] No [ X ]

17.5098 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a “U”) listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity’s invested assets?

Yes [ ] No [ X ]

17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of “A” (affiliated) or “U” (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed

18.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? .....

Yes [X] No [ ]

18.2 If no, list exceptions:

.....

19. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designated 5GI security:

- Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or
  - a. PL security is not available.
  - b. Issuer or obligor is current on all contracted interest and principal payments.
  - c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5GI securities?.....

Yes [ ] No [X]

20. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:

- a. The security was purchased prior to January 1, 2018.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.  
The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
- c. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities?.....

Yes [ ] No [X]

## GENERAL INTERROGATORIES

21. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:.....
- a. The shares were purchased prior to January 1, 2019.
  - b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
  - c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
  - d. The fund only or predominantly holds bonds in its portfolio.
  - e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
  - f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.

Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria?

Yes [ ] No [X]





STATEMENT AS OF SEPTEMBER 30, 2020 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Current Year to Date – Allocated by States and Territories

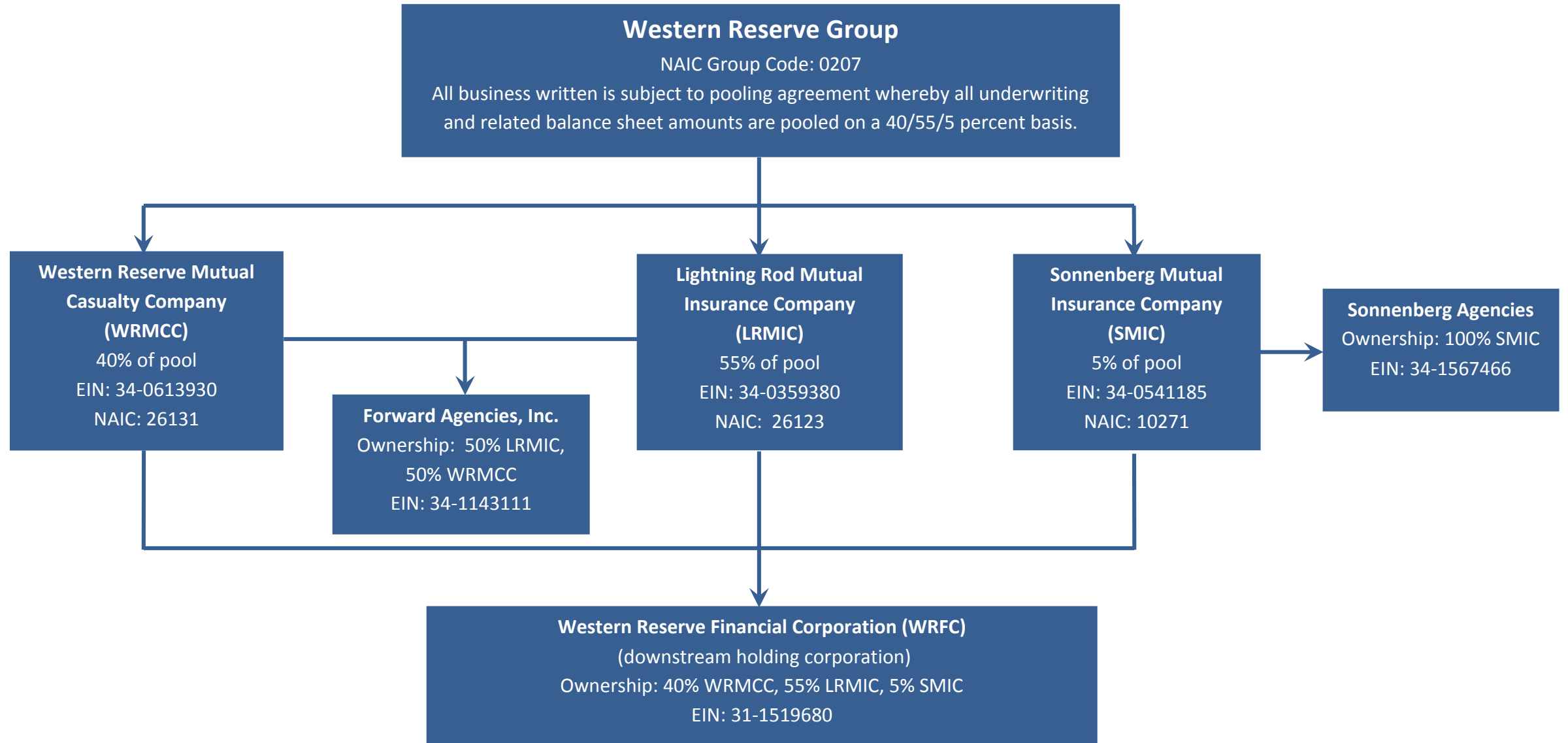
States, etc.	1 Active Status (a)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid		
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date	
1. Alabama	AL	N	0	0	0	0	0	
2. Alaska	AK	N	0	0	0	0	0	
3. Arizona	AZ	N	0	0	0	0	0	
4. Arkansas	AR	N	0	0	0	0	0	
5. California	CA	N	0	0	0	0	0	
6. Colorado	CO	N	0	0	0	0	0	
7. Connecticut	CT	N	0	0	0	0	0	
8. Delaware	DE	N	0	0	0	0	0	
9. Dist. Columbia	DC	N	0	0	0	0	0	
10. Florida	FL	N	0	0	0	0	0	
11. Georgia	GA	N	0	0	0	0	0	
12. Hawaii	HI	N	0	0	0	0	0	
13. Idaho	ID	N	0	0	0	0	0	
14. Illinois	IL	L	0	0	0	0	0	
15. Indiana	IN	L	16,265,178	16,475,610	6,568,646	7,805,155	5,892,517	6,021,608
16. Iowa	IA	N	0	0	0	0	0	0
17. Kansas	KS	N	0	0	0	0	0	0
18. Kentucky	KY	N	0	0	0	0	0	0
19. Louisiana	LA	N	0	0	0	0	0	0
20. Maine	ME	N	0	0	0	0	0	0
21. Maryland	MD	N	0	0	0	0	0	0
22. Massachusetts	MA	N	0	0	0	0	0	0
23. Michigan	MI	N	0	0	0	0	0	0
24. Minnesota	MN	N	0	0	0	0	0	0
25. Mississippi	MS	N	0	0	0	0	0	0
26. Missouri	MO	N	0	0	0	0	0	0
27. Montana	MT	N	0	0	0	0	0	0
28. Nebraska	NE	N	0	0	0	0	0	0
29. Nevada	NV	N	0	0	0	0	0	0
30. New Hampshire	NH	N	0	0	0	0	0	0
31. New Jersey	NJ	N	0	0	0	0	0	0
32. New Mexico	NM	N	0	0	0	0	0	0
33. New York	NY	N	0	0	0	0	0	0
34. No. Carolina	NC	N	0	0	0	0	0	0
35. No. Dakota	ND	N	0	0	0	0	0	0
36. Ohio	OH	L	51,358,303	50,009,309	27,568,580	28,618,746	23,087,163	23,470,485
37. Oklahoma	OK	N	0	0	0	0	0	0
38. Oregon	OR	N	0	0	0	0	0	0
39. Pennsylvania	PA	N	0	0	0	0	0	0
40. Rhode Island	RI	N	0	0	0	0	0	0
41. So. Carolina	SC	N	0	0	0	0	0	0
42. So. Dakota	SD	N	0	0	0	0	0	0
43. Tennessee	TN	L	0	0	0	0	0	0
44. Texas	TX	N	0	0	0	0	0	0
45. Utah	UT	N	0	0	0	0	0	0
46. Vermont	VT	N	0	0	0	0	0	0
47. Virginia	VA	N	0	0	0	0	0	0
48. Washington	WA	N	0	0	0	0	0	0
49. West Virginia	WV	N	0	0	0	0	0	0
50. Wisconsin	WI	N	0	0	0	0	0	0
51. Wyoming	WY	N	0	0	0	0	0	0
52. American Samoa	AS	N	0	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0	0
54. Puerto Rico	PR	N	0	0	0	0	0	0
55. U.S. Virgin Islands	VI	N	0	0	0	0	0	0
56. Northern Mariana Islands	MP	N	0	0	0	0	0	0
57. Canada	CAN	N	0	0	0	0	0	0
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0	0
59. Totals	XXX		67,623,481	66,484,919	34,137,226	36,423,901	28,979,680	29,492,093
<b>DETAILS OF WRITE-INS</b>								
58001.	XXX							
58002.	XXX							
58003.	XXX							
58998. Summary of remaining write-ins for Line 58 from overflow page.	XXX		0	0	0	0	0	0
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX		0	0	0	0	0	0

(a) Active Status Counts

L – Licensed or Chartered – Licensed insurance carrier or domiciled RRG ..... 4 R – Registered – Non-domiciled RRGs ..... 0  
 E – Eligible – Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile – See DSLI) ..... 0 Q – Qualified – Qualified or accredited reinsurer ..... 0  
 D – Domestic Surplus Lines Insurer (DSLII) – Reporting entities authorized to write surplus lines in the state of domicile ..... 0 N – None of the above – Not allowed to write business in the state ..... 53

**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**

**PART 1 – ORGANIZATIONAL CHART**





STATEMENT AS OF SEPTEMBER 30, 2020 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

**PART 1 - LOSS EXPERIENCE**

Line of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire	45,045	113,133	251.2	0.0
2. Allied lines	27,421	102,000	372.0	70.2
3. Farmowners multiple peril	16,133,524	5,521,766	34.2	51.9
4. Homeowners multiple peril	17,554,400	11,786,054	67.1	64.3
5. Commercial multiple peril	11,157,545	6,684,560	59.9	73.1
6. Mortgage guaranty			0.0	0.0
8. Ocean marine			0.0	0.0
9. Inland marine	1,295,009	307,070	23.7	8.8
10. Financial guaranty			0.0	0.0
11.1 Medical professional liability -occurrence			0.0	0.0
11.2 Medical professional liability -claims made			0.0	0.0
12. Earthquake			0.0	0.0
13. Group accident and health			0.0	0.0
14. Credit accident and health			0.0	0.0
15. Other accident and health			0.0	0.0
16. Workers' compensation			0.0	0.0
17.1 Other liability occurrence	550,186	589,661	107.2	110.5
17.2 Other liability-claims made	147,998		0.0	0.0
17.3 Excess Workers' Compensation			0.0	0.0
18.1 Products liability-occurrence	29,637	18,555	62.6	0.0
18.2 Products liability-claims made			0.0	0.0
19.1,19.2 Private passenger auto liability	5,591,505	2,168,989	38.8	52.8
19.3,19.4 Commercial auto liability	5,439,895	1,965,459	36.1	80.9
21. Auto physical damage	6,554,267	3,776,564	57.6	62.3
22. Aircraft (all perils)			0.0	0.0
23. Fidelity			0.0	0.0
24. Surety			0.0	0.0
26. Burglary and theft	49,988	10,000	20.0	0.0
27. Boiler and machinery	750,499	96,094	12.8	15.8
28. Credit			0.0	0.0
29. International			0.0	0.0
30. Warranty			0.0	0.0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0.0	0.0
35. TOTALS	65,326,919	33,139,905	50.7	61.3
<b>DETAILS OF WRITE-INS</b>				
3401.			0.0	0.0
3402.			0.0	0.0
3403.			0.0	0.0
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0.0	0.0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0.0	0.0

**PART 2 - DIRECT PREMIUMS WRITTEN**

Line of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire	17,121	67,588	55,939
2. Allied lines	7,830	36,444	33,431
3. Farmowners multiple peril	5,237,997	16,445,545	16,118,760
4. Homeowners multiple peril	5,954,022	17,010,816	19,388,645
5. Commercial multiple peril	3,785,762	12,149,455	10,106,750
6. Mortgage guaranty	0		0
8. Ocean marine	0		0
9. Inland marine	437,207	1,455,767	1,208,678
10. Financial guaranty	0		0
11.1 Medical professional liability-occurrence	0		0
11.2 Medical professional liability-claims made	0		0
12. Earthquake	0		0
13. Group accident and health	0		0
14. Credit accident and health	0		0
15. Other accident and health	0		0
16. Workers' compensation	0		0
17.1 Other liability occurrence	182,976	587,939	540,746
17.2 Other liability-claims made	59,359	178,326	111,326
17.3 Excess Workers' Compensation	0		0
18.1 Products liability-occurrence	16,707	33,713	25,976
18.2 Products liability-claims made	0		0
19.1,19.2 Private passenger auto liability	1,909,639	5,681,755	5,971,797
19.3,19.4 Commercial auto liability	1,710,538	6,244,506	5,021,871
21. Auto physical damage	2,196,746	6,847,381	7,157,432
22. Aircraft (all perils)	0		0
23. Fidelity	0		0
24. Surety	0		0
26. Burglary and theft	17,257	57,265	45,473
27. Boiler and machinery	259,706	826,981	698,095
28. Credit	0		0
29. International	0		0
30. Warranty	0		0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0
35. TOTALS	21,792,867	67,623,481	66,484,919
<b>DETAILS OF WRITE-INS</b>			
3401.	0		0
3402.	0		0
3403.	0		0
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0

STATEMENT AS OF SEPTEMBER 30, 2020 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2020 Loss and LAE Payments on Claims Reported as of Prior Year-End	2020 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2020 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols.7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2017 + Prior .....	8,985	1,685	10,670	2,326	19	2,345	6,251	141	900	7,292	(408)	(625)	(1,033)
2. 2018 .....	11,607	2,280	13,887	4,774	65	4,839	5,036	1,172	1,899	8,107	(1,797)	856	(941)
3. Subtotals 2018 + prior .....	20,592	3,965	24,557	7,100	84	7,184	11,287	1,313	2,799	15,399	(2,205)	231	(1,974)
4. 2019 .....	21,880	7,947	29,827	12,314	1,593	13,907	10,157	3,400	1,083	14,640	591	(1,871)	(1,280)
5. Subtotals 2019 + prior .....	42,472	11,912	54,384	19,414	1,677	21,091	21,444	4,713	3,882	30,039	(1,614)	(1,640)	(3,254)
6. 2020 .....	XXX	XXX	XXX	XXX	38,997	38,997	XXX	13,088	7,978	21,066	XXX	XXX	XXX
7. Totals .....	42,472	11,912	54,384	19,414	40,674	60,088	21,444	17,801	11,860	51,105	(1,614)	(1,640)	(3,254)
8. Prior Year-End Surplus As Regards Policyholders	195,499												
											Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. (3.8)	2. (13.8)	3. (6.0)
													Col. 13, Line 7 Line 8
													4. (1.7)

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

	<u>Response</u>
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	.....NO.....
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?	.....NO.....
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	.....NO.....
4. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	.....YES.....

**Explanation:**

**Bar Code:**



**OVERFLOW PAGE FOR WRITE-INS**

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STATEMENT AS OF SEPTEMBER 30, 2020 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

**SCHEDULE A – VERIFICATION**

**Real Estate**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	13,305,196	4,679,258
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....	8,904,406	11,435,314
2.2 Additional investment made after acquisition .....		0
3. Current year change in encumbrances .....		0
4. Total gain (loss) on disposals .....		0
5. Deduct amounts received on disposals .....		2,809,376
6. Total foreign exchange change in book/adjusted carrying value .....		0
7. Deduct current year's other-than-temporary impairment recognized .....		0
8. Deduct current year's depreciation .....		0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8) .....	22,209,602	13,305,196
10. Deduct total nonadmitted amounts .....	0	0
11. Statement value at end of current period (Line 9 minus Line 10)	22,209,602	13,305,196

**SCHEDULE B – VERIFICATION**

**Mortgage Loans**

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year .....	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		0
2.2 Additional investment made after acquisition .....		0
3. Capitalized deferred interest and other .....		0
4. Accrual of discount .....		0
5. Unrealized valuation increase (decrease) .....		0
6. Total gain (loss) on disposals .....		0
7. Deduct amounts received on disposals .....		0
8. Deduct amortization of premium and mortgage interest points and commitment fees .....		0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest .....		0
10. Deduct current year's other-than-temporary impairment recognized .....		0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....	0	0
12. Total valuation allowance .....		0
13. Subtotal (Line 11 plus Line 12) .....	0	0
14. Deduct total nonadmitted amounts .....	0	0
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

NONE

**SCHEDULE BA – VERIFICATION**

**Other Long-Term Invested Assets**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	18,944,858	18,419,319
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		0
2.2 Additional investment made after acquisition .....		0
3. Capitalized deferred interest and other .....		0
4. Accrual of discount .....		0
5. Unrealized valuation increase (decrease) .....	(3,077,449)	2,475,194
6. Total gain (loss) on disposals .....		0
7. Deduct amounts received on disposals .....		0
8. Deduct amortization of premium and depreciation .....		0
9. Total foreign exchange change in book/adjusted carrying value .....		0
10. Deduct current year's other-than-temporary impairment recognized .....		1,949,654
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....	15,867,409	18,944,858
12. Deduct total nonadmitted amounts .....	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	15,867,409	18,944,858

**SCHEDULE D – VERIFICATION**

**Bonds and Stocks**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	236,416,940	214,923,165
2. Cost of bonds and stocks acquired .....	12,526,641	30,717,931
3. Accrual of discount .....	40,990	51,458
4. Unrealized valuation increase (decrease) .....	(6,233,882)	12,796,857
5. Total gain (loss) on disposals .....	277,058	1,998,290
6. Deduct consideration for bonds and stocks disposed of .....	17,608,980	22,991,942
7. Deduct amortization of premium .....	879,055	1,078,819
8. Total foreign exchange change in book/adjusted carrying value .....		0
9. Deduct current year's other-than-temporary impairment recognized .....		0
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees .....	33,113	0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9+10) .....	224,572,824	236,416,940
12. Deduct total nonadmitted amounts .....	394,664	402,693
13. Statement value at end of current period (Line 11 minus Line 12)	224,178,160	236,014,247

STATEMENT AS OF SEPTEMBER 30, 2020 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

**SCHEDULE D - PART 1B**

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. NAIC 1 (a).....	137,613,836	2,995,574	6,233,279	(1,205,672)	139,710,094	137,613,836	133,170,459	143,234,822
2. NAIC 2 (a).....	10,841,644		767,238	990,177	11,980,540	10,841,644	11,064,583	10,671,148
3. NAIC 3 (a).....	0				504,000	0	0	585,000
4. NAIC 4 (a).....	529,500			34,500	0	529,500	564,000	0
5. NAIC 5 (a).....	0				0	0	0	0
6. NAIC 6 (a).....	0				0	0	0	0
7. Total Bonds	148,984,980	2,995,574	7,000,517	(180,995)	152,194,634	148,984,980	144,799,042	154,490,970
<b>PREFERRED STOCK</b>								
8. NAIC 1.....	0				0	0	0	0
9. NAIC 2.....	0				0	0	0	0
10. NAIC 3.....	0				0	0	0	0
11. NAIC 4.....	0				0	0	0	0
12. NAIC 5.....	0				0	0	0	0
13. NAIC 6.....	0				0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	148,984,980	2,995,574	7,000,517	(180,995)	152,194,634	148,984,980	144,799,042	154,490,970

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ .....135,000 ; NAIC 2 \$ ..... ;  
NAIC 3 \$ ..... ; NAIC 4 \$ ..... ; NAIC 5 \$ ..... ; NAIC 6 \$ .....

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## SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	135,000	XXX	135,285		

## SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	0
2. Cost of short-term investments acquired .....	135,285	0
3. Accrual of discount .....		0
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals .....		0
6. Deduct consideration received on disposals .....		0
7. Deduct amortization of premium.....	285	0
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other-than-temporary impairment recognized.....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	135,000	0
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	135,000	0

Schedule DB - Part A - Verification

**NONE**

Schedule DB - Part B - Verification

**NONE**

Schedule DB - Part C - Section 1

**NONE**

Schedule DB - Part C - Section 2

**NONE**

Schedule DB - Verification

**NONE**

**SCHEDULE E – PART 2 – VERIFICATION**

(Cash Equivalents)

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	5,546,130	4,016,587
2. Cost of cash equivalents acquired .....	19,382,018	36,815,303
3. Accrual of discount .....		0
4. Unrealized valuation increase (decrease) .....		0
5. Total gain (loss) on disposals.....		0
6. Deduct consideration received on disposals .....	19,232,213	35,285,760
7. Deduct amortization of premium .....	253	0
8. Total foreign exchange change in book/adjusted carrying value .....		0
9. Deduct current year's other-than-temporary impairment recognized .....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	5,695,681	5,546,130
11. Deduct total nonadmitted amounts .....		0
12. Statement value at end of current period (Line 10 minus Line 11)	5,695,681	5,546,130



Schedule B - Part 2

**NONE**

Schedule B - Part 3

**NONE**

Schedule BA - Part 2

**NONE**

Schedule BA - Part 3

**NONE**

**STATEMENT AS OF SEPTEMBER 30, 2020 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY**

**SCHEDULE D - PART 3**

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation and Administrative Symbol
<b>Bonds - U.S. Political Subdivisions of States, Territories and Possessions</b>									
705880-QU-9	PELL CITY ALA.		08/14/2020	RAYMOND JAMES/FI	XXX	250,000	250,000		1FE
810181-FV-4	SCOTTS BLUFF CNTY NEB SCH DIST NO 032		07/31/2020	DAVIDSON (D.A.) & CO. INC.	XXX	250,000	250,000		1FE
<b>2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions</b>						500,000	500,000	0	XXX
<b>Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions</b>									
14849T-EC-2	CASTLE ROCK COLO SALES & USE TAX REV.		09/25/2020	STIFEL NICOLAUS & CO.	XXX	200,000	200,000		1FE
362835-CB-4	GAINESVILLE FLA SPL OBLIG.		09/16/2020	PIPER JAFFRAY	XXX	504,340	500,000		1FE
507686-RQ-8	LAKE CENTRAL IND MULTI- DISTRICT SCH BLD.		09/03/2020	RAYMOND JAMES/FI	XXX	100,000	100,000		1FE
982674-NK-5	WYANDOTTE CNTY KANS CITY KANS UNI GOVT U.		09/01/2020	PIPER JAFFRAY	XXX	658,600	650,000		1FE
<b>3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions</b>						1,462,940	1,450,000	0	XXX
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>									
806854-AJ-4	SCHLUMBERGER INVESTMENT SA	C	08/21/2020	Various	XXX	622,986	600,000	2,032	1FE
914744-AF-4	UNIVERSITY OF NOTRE DAME DU LAC		08/31/2020	DAVIDSON (D.A.) & CO. INC.	XXX	409,648	400,000	309	1FE
<b>3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)</b>						1,032,634	1,000,000	2,341	XXX
<b>8399997 - Bonds - Subtotals - Bonds - Part 3</b>						2,995,574	2,950,000	2,341	XXX
<b>8399999 - Bonds - Subtotals - Bonds</b>						2,995,574	2,950,000	2,341	XXX
<b>9999999 Totals</b>						2,995,574	XXX	2,341	XXX

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STATEMENT AS OF SEPTEMBER 30, 2020 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation and Administrative Symbol
<b>Bonds - U.S. Governments</b>																					
36179U-ZH-8	62 MA6144 - RMBS		09/01/2020	Paydown	XXX	149,708	149,708	151,673	46,052		(1,907)		(1,907)		149,708				1,868	09/20/2049	1
36295P-6H-0	GN 676872 - RMBS		09/01/2020	Paydown	XXX	1,997	1,997	2,014	2,000		(3)		(3)		1,997		0		60	03/15/2023	1
38379U-ZS-8	GNR 2016-096 HA - CMBS		09/01/2020	Paydown	XXX	45,815	45,815	45,586	1,431		226		226		45,815		0		375	12/16/2057	1
38380Y-3C-7	GNR 2018-124 QC - CMO/RMBS		09/01/2020	Paydown	XXX	48,403	48,403	48,252	48,254		150		150		48,403		0		1,122	10/20/2046	1
38381A-GK-6	GNR 2018-147 EV - CMO/RMBS		09/01/2020	Paydown	XXX	19,358	19,358	19,890	6,628		(468)		(468)		19,358		0		282	01/20/2030	1
83162C-PP-2	SBAP 2005-20 F A - ABS		06/01/2020	Paydown	XXX														29	06/01/2025	1
831641-EZ-4	SBIC 2013-10B B - ABS		09/01/2020	Paydown	XXX	8,675	8,675	9,053	8,979		(305)		(305)		8,675		0		317	09/10/2023	1
831641-FJ-9	SBIC 2017-10 B B - ABS		09/01/2020	Paydown	XXX	2,106	2,106	2,106	2,105		1		1		2,106		0		53	09/10/2027	1
831641-FK-6	SBIC 2018-10 A A - ABS		09/01/2020	Paydown	XXX	32,373	32,373	32,413	32,382		(9)		(9)		32,373		0		1,035	03/10/2028	1
831641-FL-4	SBIC 2018-10 B B - ABS		09/01/2020	Paydown	XXX	27,297	27,297	27,425	27,407		(110)		(110)		27,297		0		971	09/10/2028	1
<b>0599999 - Bonds - U.S. Governments</b>						335,732	335,732	338,413	175,238	0	(2,426)	0	(2,426)	0	335,732	0	0	0	6,113	XXX	XXX
<b>Bonds - U.S. States, Territories and Possessions</b>																					
91754Z-0T-2	UTAH ST		07/01/2020	Maturity @ 100.00	XXX	700,000	700,000	706,146	700,364		(364)		(364)		700,000		0	0	23,023	07/01/2020	1FE
<b>1799999 - Bonds - U.S. States, Territories and Possessions</b>						700,000	700,000	706,146	700,364	0	(364)	0	(364)	0	700,000	0	0	0	23,023	XXX	XXX
<b>Bonds - U.S. Political Subdivisions of States, Territories and Possessions</b>																					
478449-6F-3	JOHNSON CNTY KANS		09/01/2020	Maturity @ 100.00	XXX	500,000	500,000	508,750	500,664		(664)		(664)		500,000		0	0	21,875	09/01/2020	1FE
667196-KV-0	NORTHVIEW MICH PUB SCSH DIST		08/03/2020	Call @ 100.00	XXX	300,000	300,000	325,731	301,164		(1,164)		(1,164)		300,000		0	0	9,067	05/01/2022	1FE
<b>2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions</b>						800,000	800,000	834,481	801,827	0	(1,827)	0	(1,827)	0	800,000	0	0	0	30,942	XXX	XXX
<b>Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions</b>																					
3128P8-GM-7	FH C92004 - RMBS		09/01/2020	Paydown	XXX	74,127	74,127	76,675	76,726		(2,599)		(2,599)		74,127		0	0	1,968	07/01/2038	1
3128Q0-N9-4	FH J19416 - RMBS		09/01/2020	Paydown	XXX	11,178	11,178	11,486	11,377		(199)		(199)		11,178		0	0	225	06/01/2027	1
3128S2-0Q-7	FH T61363 - RMBS		09/01/2020	Paydown	XXX	5,381	5,381	5,629	5,651		(270)		(270)		5,381		0	0	139	09/01/2042	1
31326F-Y9-3	FH 2B1636 - RMBS		09/01/2020	Paydown	XXX	41,552	41,552	41,103	41,749		(198)		(198)		41,552		0	0	652	08/01/2043	1
3133KY-SE-0	FH RB5017 - RMBS		09/01/2020	Paydown	XXX	121,412	121,412	124,068	43,974		(2,479)		(2,479)		121,412		0	0	1,534	11/01/2039	1
3136A1-4P-7	FNR 2011-117 MA - CMO/RMBS		09/01/2020	Paydown	XXX	12,809	12,809	12,841	12,825		(17)		(17)		12,809		0	0	168	08/25/2040	1
3136A2-VK-6	FNR 2011-126 AD - CMO/RMBS		09/01/2020	Paydown	XXX	8,494	8,494	8,494	8,480		14		14		8,494		0	0	136	06/25/2040	1
3136AE-Z4-2	FNR 2013-70 VA - CMO/RMBS		09/01/2020	Paydown	XXX	11,730	11,730	12,331	12,081		(351)		(351)		11,730		0	0	235	08/25/2026	1
3136AV-UL-1	FNR 2017-12 TA - CMO/RMBS		09/01/2020	Paydown	XXX	118,380	118,380	117,936	117,933		448		448		118,380		0	0	2,393	04/25/2042	1
3136AW-BD-8	FNR 2017-25 OH - CMO/RMBS		09/01/2020	Paydown	XXX	55,947	55,947	55,702	55,693		253		253		55,947		0	0	1,092	04/25/2047	1
3137AP-BD-1	FHR 4033 EB - CMO/RMBS		09/01/2020	Paydown	XXX	24,882	24,882	14,971	24,842		40		40		24,882		0	0	338	10/15/2036	1
3137BY-L3-2	FHR 4683 PD - CMO/RMBS		09/01/2020	Paydown	XXX	225,347	225,347	224,784	224,781		567		567		225,347		0	0	4,407	04/15/2046	1
3137F1-VB-1	FHR 4700 VH - CMO/RMBS		09/01/2020	Paydown	XXX	10,302	10,302	10,631	10,566		(263)		(263)		10,302		0	0	206	12/15/2028	1
3137F3-7A-6	FHR 4766 GD - CMO/RMBS		09/01/2020	Paydown	XXX	96,105	96,105	96,826	96,752		(647)		(647)		96,105		0	0	2,226	03/15/2044	1
3137F3-BA-1	FHR 4768 AV - CMO/RMBS		09/01/2020	Paydown	XXX	17,799	17,799	18,394	18,353		(554)		(554)		17,799		0	0	415	05/15/2029	1
3137F3-JK-1	FHR 4768 VL - CMO/RMBS		09/01/2020	Paydown	XXX	11,462	11,462	11,968	11,968		(506)		(506)		11,462		0	0	306	01/15/2031	1
3137F3-QF-4	FHR 4764 CJ - CMO/RMBS		09/01/2020	Paydown	XXX	98,752	98,752	102,023	101,975		(3,223)		(3,223)		98,752		0	0	2,618	06/15/2045	1
3137F3-X4-1	FHR 4764 XV - CMO/RMBS		09/01/2020	Paydown	XXX	23,398	23,398	24,144	24,076		(677)		(677)		23,398		0	0	546	03/15/2031	1
3137F4-YP-1	FHR 4791 AE - CMO/RMBS		09/01/2020	Paydown	XXX	16,462	16,462	16,621	16,582		(121)		(121)		16,462		0	0	384	04/15/2031	1
3137F5-AQ-2	FHR 4792 DA - CMO/RMBS		09/01/2020	Paydown	XXX	211,639	211,639	216,335	216,813		(5,173)		(5,173)		211,639		0	0	5,564	08/15/2042	1
3137FM-ET-5	FHR 4894 EA - CMO/RMBS		09/01/2020	Paydown	XXX	154,253	154,253	158,447	158,447		(4,608)		(4,608)		154,253		0	0	2,207	10/15/2042	1
3137FR-KG-3	FHR 4956 BA - CMO/RMBS		09/01/2020	Paydown	XXX	148,400	148,400	152,296	152,296		(3,888)		(3,888)		148,400		0	0	1,893	02/25/2045	1
31381P-C9-7	FN 466396 - CMBS/RMBS		09/25/2020	Paydown	XXX	330,695	330,695	331,315	330,277		418		418		330,695		0	0	8,835	11/01/2020	1
3138LK-ER-4	FN AN6443 - CMBS/RMBS		09/01/2020	Paydown	XXX	2,018	2,018	2,032	2,026		(8)		(8)		2,018		0	0	34	09/01/2024	1
3138LL-TH-8	FN AN7751 - CMBS/RMBS		09/01/2020	Paydown	XXX	2,706	2,706	2,574	2,587		119		119		2,706		0	0	56	12/01/2029	1
31416X-HY-9	FN AB2046 - RMBS		09/01/2020	Paydown	XXX	7,866	7,866	7,733	7,770		96		96		7,866		0	0	156	01/01/2026	1
31418A-LY-2	FN MA1242 - RMBS		09/01/2020	Paydown	XXX	20,244	20,244	21,155	21,161		(917)		(917)		20,244		0	0	474	11/01/2042	1
31418A-V5-4	FN MA1535 - RMBS		09/01/2020	Paydown	XXX	12,050	12,050	12,042	12,042		8		8		12,050		0	0	160	08/01/2023	1
31418A-WS-3	FN MA1556 - RMBS		09/01/2020	Paydown	XXX	15,234	15,234	15,120	15,165		69		69		15,234		0	0	264	08/01/2028	1
31418C-SA-8	FN MA3540 - RMBS		09/01/2020	Paydown	XXX	102,408	102,408	105,032	105,224		(2,816)		(2,816)		102,408		0	0	2,375	12/01/2033	1
31418D-HH-8	FN MA3831 - RMBS		09/01/2020	Paydown	XXX	87,148	87,148	89,816	89,816		(2,462)		(2,462)		87,148		0	0	1,113	11/01/2039	1
<b>3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions</b>						2,080,179	2,080,179	2,100,605	1,709,772	0	(29,944)	0	(29,944)	0	2,080,179	0	0	0	43,117	XXX	XXX
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>																					
06048W-G9-5	BANK OF AMERICA CORP		07/31/2020	Call @ 100.00	XXX	400,000	400,000	398,400		407		407		398,807		1,193		5,300	01/31/2030	1FE	
075887-AW-9	BECTON DICKINSON AND CO		09/29/2020	Call @ 100.00	XXX	168,606	168,000	157,080	166,891		954		954		167,845		155		7,224	11/12/2020	2FE
278642-AC-7	EBAY INC		07/23/2020	Call @ 100.00	XXX	600,000	600,000	577,776	599,934		1,460		1,460		599,363		607		15,058	10/15/2020	2FE
38150A-B2-0	GOLDMAN SACHS GROUP INC		08/17/2020	Call @ 100.00	XXX	600,000	600,000	598,200	598,448		113		113		598,561		1,439		24,000		

STATEMENT AS OF SEPTEMBER 30, 2020 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1 CUSIP Identifi- cation	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Designation and Administrative Symbol
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
Common Stocks - Industrial and Miscellaneous (Unaffiliated) Publicly Traded																					
037833-10-0	APPLE ORD		08/31/2020				XXX		(4,632,239)	4,632,239							0			XXX	
594918-10-4	MICROSOFT ORD		08/21/2020	Northern Trust	1,281,000	275,186	XXX	4,904	202,014	(197,110)					4,904		270,282	270,282	1,960	XXX	
9099999 - Common Stocks - Industrial and Miscellaneous (Unaffiliated) Publicly Traded						275,186	XXX	4,904	(4,430,225)	4,435,129	0	0	4,435,129	0	4,904	0	270,282	270,282	1,960	XXX	XXX
9799997 - Common Stocks - Subtotals - Common Stocks - Part 4						275,186	XXX	4,904	(4,430,225)	4,435,129	0	0	4,435,129	0	4,904	0	270,282	270,282	1,960	XXX	XXX
9799999 - Common Stocks - Subtotals - Common Stocks						275,186	XXX	4,904	(4,430,225)	4,435,129	0	0	4,435,129	0	4,904	0	270,282	270,282	1,960	XXX	XXX
9899999 - Common Stocks - Subtotals - Preferred and Common Stocks						275,186	XXX	4,904	(4,430,225)	4,435,129	0	0	4,435,129	0	4,904	0	270,282	270,282	1,960	XXX	XXX
9999999 Totals						7,159,703	XXX	6,985,006	1,526,993	4,435,129	(38,372)	0	4,396,757	0	6,885,421	0	273,676	273,676	201,437	XXX	XXX

E05.1

Schedule DB - Part A - Section 1

**NONE**

Schedule DB - Part B - Section 1

**NONE**

Schedule DB - Part D - Section 1

**NONE**

Schedule DB - Part D - Section 2

**NONE**

Schedule DB - Part E

**NONE**

Schedule DL - Part 1

**NONE**

Schedule DL - Part 2

**NONE**







SUPPLEMENT FOR THE QUARTER ENDING SEPTEMBER 30, 2020 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

DIRECTOR AND OFFICER INSURANCE COVERAGE SUPPLEMENT

Year To Date For The Period Ended 2020

NAIC Group Code 00207

NAIC Company Code 26123

If the reporting entity writes any director and officer (D&O) business, please provide the following:

1. Monoline Policies

Table with 3 columns: 1 Direct Written Premium, 2 Direct Earned Premium, 3 Direct Losses Incurred. All values are \$0.

2. Commercial Multiple Peril (CMP) Packaged Policies

2.1 Does the reporting entity provide D&O liability coverage as part of a CMP packaged policy? Yes [X] No [ ]

2.2 Can the direct premium earned for D&O liability coverage provided as part of a CMP packaged policy be quantified or estimated? Yes [X] No [ ]

2.3 If the answer to question 2.2 is yes, provide the quantified or estimated direct premium earned amount for D&O liability coverage in CMP packaged policies

2.31 Amount quantified: \$ 22,579

2.32 Amount estimated using reasonable assumptions: \$ 0

2.4 If the answer to question 2.1 is yes, provide direct losses incurred (losses paid plus change in case reserves) for the D&O liability coverage provided in CMP packaged policies. \$ 0